

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5030-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Kotek
Carrier – Senate: Sen. Winters**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 22 – 3 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Richardson, G. Smith, Thatcher, Whisnant
– Nays: Nolan
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Nelson, Thomsen, Verger, Winters
– Nays: Girod, Whitsett
– Exc:

Prepared By: Blake Johnson and Kate Nass, Department of Administrative Services

Reviewed By: Sheila Baker, Legislative Fiscal Office

Meeting Date: June 8, 2011

Agency
Department of Human Services
Emergency Board

Budget Page
C-7

LFO Analysis Page
52

Biennium
2011-13

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from 2009-11 Leg Approved	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change
General Fund	\$ 1,767,110,285	\$ 2,511,668,726	\$ 2,035,457,759	\$ 2,015,237,574	\$ 248,127,289	+14.0%
General Fund Debt Service	6,617,310	16,526,364	17,918,806	17,918,806	11,301,496	+170.8%
Other Funds	340,061,902	429,349,935	321,132,891	430,454,029	90,392,127	+26.6%
Federal Funds	3,543,842,025	3,488,823,586	3,030,655,425	3,126,794,617	(417,047,408)	-11.8%
Federal Funds Nonlimited	2,192,921,139	2,383,981,537	2,383,981,537	2,383,981,537	191,060,398	+8.7%
Total	\$ 7,850,552,661	\$ 8,830,350,148	\$ 7,789,146,418	\$ 7,974,386,563	\$ 123,833,902	+1.6%

Position Summary

Authorized Positions	7,719	8,123	8,166	7,389	(330)
Full-time Equivalent (FTE) Positions	7,544.27	7,972.14	7,968.69	7,296.10	(248.17)

(1) Includes adjustments through May 2011.

* Excludes Capital Construction expenditures

Emergency Board

Special Purpose Appropriation

Child Welfare Differential Response \$ 5,000,000 \$ 5,000,000

Summary of Revenue Changes

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds and Federal Fund revenues. Almost all of the General Fund is used as match or to meet state maintenance of effort requirements to receive Federal Funds. Other Funds revenues come from a wide variety of sources such as nursing home provider taxes, grants, unitary tax assessment, estate collections, third party recoveries, fees, and charges for services. The largest single Federal Funds source is the Supplemental Nutrition Assistance Program (SNAP/food stamps); the benefits are reflected in the budget as Nonlimited Federal Funds. Federal Funds subject to expenditure limitation include the Title XIX Medicaid program, Temporary Assistance to Needy Families (TANF), Title IV-E Foster Care and Adoption Assistance, Child Welfare Services, Title XX Social Services Block Grant, and Basic 110 Rehabilitation funds. Some of these sources are capped block grants (e.g., TANF, Social Services Block Grant); others provide federal matching funds as partial reimbursement of state costs (e.g., Medicaid, Foster Care and Adoption Assistance). The major revenue change in this budget is the loss of about \$400 million in one-time Other and Federal Funds revenues, primarily from the federal American Reinvestment and Recovery Act (ARRA) stimulus funds, used in the 2009-11 budget but not available for 2011-13. The budget assumes \$20 million of federal fiscal year 2012 (FFY 2012) TANF contingency funds. As of this report these funds were included in the approved FFY 2012 TANF funding. To be eligible for these funds Oregon must spend more than \$111 million in countable Maintenance of Effort (MOE) spending in FFY 2012. Any future availability of these funds is dependent on federal budget decisions and state MOE spending.

Summary of Human Services Subcommittee Action

DHS supports children, families, seniors and people with physical and developmental disabilities by providing a range of services through 170 field offices and community partners. With the implementation of House Bill 2009 (2009 session) and the creation of the Oregon Health Authority (OHA), the DHS budget now includes two program areas – Children, Adult and Families (CAF) and Seniors and People with Disabilities (SPD) - as well as administrative support for both DHS and OHA in its Central and Shared Services.

The Subcommittee approved a budget of \$7.97 billion total funds for DHS, which is 1.6 percent above the 2009-11 Legislatively Approved Budget. However, without the Nonlimited Federal Funds expenditures for the SNAP/food stamps program benefit payments, the budget is 1.2 percent total funds less than in the 2009-11 biennium. The budget consists of \$2.03 billion General Fund, \$430 million Other Funds, \$3.13 billion Federal Funds, \$2.38 billion Nonlimited Federal Funds, and 7,389 positions (7,296.10 FTE).

The Subcommittee reviewed the packages used to build the Governor's budget, and the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since the Governor's budget was developed. The Governor's budget included adjustments to eliminate the standard cost-of-living (COLA) increase, reduce projected increases in Personal Services costs by 5.5 percent for DHS as a whole, and continue administrative, provider and program reductions made during the 2009-11 biennium as part of the General Fund allotment reductions to balance the statewide budget. The Subcommittee generally approved these adjustments as part of its recommended budget.

The Subcommittee approved the following three statewide packages that cover the entire agency:

- Package 801: Targeted Statewide Adjustments – This package implements a statewide reduction action included in the Ways and Means Co-Chairs' budget, which is a 6.5 percent reduction from total General Fund Services and Supplies expenditures. The total agency-wide reduction is \$9.3 million General Fund.
- Package 802: Vacant Position Savings – This package removes position authority for positions that have been vacant for an extended period of time. The total position reduction for DHS is 38 positions (30.52 FTE) and \$3.5 million total funds.
- Package 819: Supplemental Statewide Ending Balance – The recommended budget for DHS includes a reduction of \$73.7 million General Fund for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

Children, Adults and Families

Children, Adults and Families (CAF) is responsible for helping Oregon's vulnerable families and individuals improve their capacity to be self-sustaining while creating a safe and permanent living environment for children. CAF provides services in three key program areas:

- *Self Sufficiency* programs promote independence for families and adults. The programs include the Supplemental Nutrition Assistance Program (SNAP/food stamps), Temporary Assistance for Needy Families (TANF), and related programs including Job Opportunity and Basic Skills (JOBS) services, Employment Related Day Care (ERDC), Refugee Assistance, and youth prevention services.
- *Child Welfare* programs help provide safe and permanent families for Oregon's abused, neglected, and dependent children through child protective services, in-home services, out-of-home care, and adoptions.
- *Vocational Rehabilitation Services* works with businesses, schools, and community programs to help youths and adults with disabilities other than blindness prepare for and find employment.

CAF administers these programs through coordination and collaboration with the families and individuals as well as community partners, and through direct services provided by state staff. Field staff provides CAF program services and benefits to clients through more than 100 Child Welfare and Self Sufficiency field and branch offices, and 34 Vocational Rehabilitation field offices throughout the state. CAF is also responsible for qualifying individuals and families for the Oregon Health Plan (OHP) and the Healthy Kids Program, in coordination with the Oregon Health Authority.

The Subcommittee approved budget for CAF is \$4.30 billion total funds, which is a 4.1 percent increase from the 2009-11 Legislatively Approved Budget (LAB). The approved General Fund budget of \$791.7 million is about 4.8 percent more than LAB. The total funds increase includes an additional \$191 million in Nonlimited Federal Funds for SNAP benefits. Excluding these Nonlimited Federal Funds, the recommended budget is 1.1 percent below the 2009-11 level.

The Governor's budget reshoot adjustments for CAF increased the budget by \$19.2 million total funds, including a \$7.2 million General Fund increase and a decrease of 77 positions (93.68 FTE). The reshoot included a \$28.3 million General Fund, \$31.2 million total funds increase for updated caseload and cost per case projections in DHS' spring 2011 forecast. Self Sufficiency caseload costs account for most of this increase.

TANF caseloads are projected to average 29,308 a month, up 7.1 percent from 2009-11 monthly averages. SNAP caseloads are projected to average 421,642 a month, an increase of 11.9 percent from 2009-11 monthly averages. In Child Welfare, the average monthly caseload for 2011-13 is 23,331, up 2.1 percent from 2009-11 caseloads. Additional staffing resources associated with the updated caseload projections account for an increase of \$15.3 million total funds (\$10.3 million General Fund) and 117 positions (99.94 FTE).

Also included in the budget reshoot is the assumed use of TANF Contingency Funds of \$20 million to backfill General Fund with Federal Funds, the agency's repricing of the Self-Sufficiency Modernization Project and the Childcare Billing and Attendance Tracking project, and the transfer of 196 positions in the Oregon Health Plan eligibility processing center and the Medicaid Policy Unit to the Oregon Health Authority.

The Subcommittee recommended budget includes program and budget changes recommended by the Governor, and the budget repricing/“reshoot” modifications for this budget, with some significant adjustments. The major elements of the budget are summarized below:

- \$13.3 million available from certain Other Funds and Federal Funds resources – insurers’ tax for the Healthy Kids eligibility work, federal Child Care and Development Funds carried forward from the 2009-11 biennium, and federal Social Services Block Grant funds – will be used instead of General Fund to fund program staff and services.
- The ERDC program is retained in this budget and not moved to the Early Learning Council. Funding is provided for an average of 9,000 cases during the biennium at the 2009-11 provider rate and client co-payment levels. This frees up \$26 million General Fund from the higher funding level in the Governor’s budget to address increased cash assistance caseloads and other TANF program needs.
- In the TANF program, enhanced grants for pre-SSI/SSDI clients are eliminated in October 2011, and post-TANF payments are eliminated for the biennium. The up-front eligibility process and the JOBS re-engagement and disqualification process are tightened, resulting in caseload, budget and staffing reductions.
- The recommended budget maintains the current 60-month TANF time limit, adding funds to buy back the 18-month time limit proposed in the Governor’s budget.
- \$10 million is added to the Governor’s budget funding for JOBS employment and training services. Within the total \$60 million available, the JOBS program will be redesigned to focus on “job ready” and “near job ready” clients during 2011-13. However, the significant reduction in overall JOBS program funding from the 2009-11 level means many current JOBS clients will lose employment and training services and other support services beginning July 1, 2011. This level of funding continues to put Oregon at risk of additional work participation penalties related to the TANF program. Three work participation penalties are currently in the federal appeal process.
- The budget funds the Family Support and Connections program at \$4.2 million, maintaining all but about \$250,000 of the 2009-11 funding level.
- The Parents as Scholars program is closed to new participants for the 2011-13 biennium, but funding will continue for those already in the program until their educational plans are completed.
- The budget includes \$6.2 million General Fund for new, contracted domestic violence specialists in CAF offices, but does not include the Governor’s \$10 million General Fund request for child welfare differential response. However, \$5 million is to go to the Emergency Board for a Special Purpose Appropriation for this use. The agency is to refine its plans around this \$5 million and report to the 2012 legislative session with a proposal on how the funding would be spent.
- An additional \$1.6 million General Fund and \$6.6 million Federal Funds is approved to support Senate Bill 964 family preservation and reunification child welfare services. These funds will be used in part for contracted services and related pilot projects in three to six counties as the budget will allow. Estimated savings based on the projected impact of contracted service programs have already been assumed in this budget. In addition, \$658,250 General Fund was approved for use as match to continue the IV-E waiver for child welfare.

- Child welfare foster care base rates are reduced by 10 percent, and funding for contracted Behavioral Rehabilitation Services (BRS) is reduced by a level equivalent to a 10 percent rate cut as a savings target. This mirrors the adjustment for these same services in the Oregon Youth Authority budget. The Subcommittee expressed its intent that the agencies work with the providers to achieve the savings with a focus on improvement management of the beds and expenditures. This could include some combination of reductions in capacity, reductions in rates, or other management actions.
- A mix of Federal Funds, including one-time funds from a federal Adoption Assistance award, will be used to continue post-adoption services during the 2011-13 biennium.
- Vocational Rehabilitation Services funding for client services is reduced by 10 percent General Fund, as recommended by the Governor.
- Funding and staffing is added to improve the agency's efforts to address issues of equity by providing culturally responsive and specific services to achieve better outcomes for the racially, ethnically and culturally diverse individuals it serves. No resources are added for the Critical Incident Review Team.
- Information technology projects for Automated Child Care Billing and Attendance and Self Sufficiency Modernization (SSM) will continue at revised funding levels. New staff in the Governor's budget for the SSM project is eliminated, since any project staff will be part of the Oregon Health Authority budget.
- The budget does not fund 486 new positions proposed to improve field staffing levels in the Self-Sufficiency and Child Welfare programs. The intent is that the agency fills position vacancies held open during the 2009-11 biennium for budget savings, so field staffing levels relative to the agency's workload model would effectively stay about the same during the 2011-13 biennium as in the 2009-11 biennium.

The following budget note was approved regarding the TANF/JOBS program restructuring anticipated as a result of the funding reductions in the Subcommittee recommended budget:

Budget Note

The Department of Human Services is directed to report to the 2012 Legislature on the impact of the restructured Temporary Assistance for Needy Families (TANF) program and JOBS employment and training services on program clients and program outcomes. The Department is to work with the Employment Department, the Department of Community Colleges and Workforce Development, WorkSource Oregon, the Family Services Review Commission and other stakeholders to review the program changes and develop any recommendations for potential program improvements.

Seniors and People with Disabilities

Seniors and People with Disabilities (SPD) provides services for seniors and adults with physical disabilities, and adults and children with developmental disabilities (DD). SPD administers Oregon's Medicaid long-term care program under a federal Home and Community Based Care waiver under Section 1915(c) of the Social Security Act. Clients receive a range of services including case management, supportive in-home care,

community-based residential care, and nursing facility care. SPD and its partners provide Medicaid long-term care services to about 27,900 seniors and adults with physical disabilities. Services to about 23,000 individuals with developmental disabilities include case management, family or community support services, and comprehensive (residential) care.

The SPD budget supports local Area Agencies on Aging (AAAs) staff, county and state Medicaid field staff, and the disability determination services unit that determines eligibility for Social Security Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) benefits. The budget also includes Oregon Project Independence and federal Older Americans Act funding; federally required supports to aged, blind, and disabled persons who receive SSI; and limited employment programs for elderly and disabled persons. SPD also now has responsibility for the state's Medicare buy-in programs for low income elderly and disabled Oregonians, paying Part B Medicare premiums for more than 85,000 persons each month.

The Subcommittee approved a budget of \$3.54 billion total funds for SPD, which is 3.6 percent below the 2009-11 Legislatively Approved Budget. The budget consists of \$1.22 billion General Fund, \$169 million Other Funds, \$2.15 billion Federal Funds, and 2,034 positions (2,018.08 FTE).

The Governor's budget reshoot adjustments for SPD increased the budget by \$321 million total funds, including a \$121 million General Fund increase and a decrease of 121 positions (73.23 FTE). The reshoot included a \$108 million General Fund and \$317 million total funds increase for updated caseload and cost per case projections in the spring 2011 forecast. Long-term care repricing and DD Comprehensive Services account for all the increase and are slightly offset by DD local field payments and DD Support Services.

Overall, long-term care caseloads for seniors and people with disabilities are forecast to grow 4.4 percent during the 2011-13 biennium, from an average of 27,866 in the 2009-11 biennium to 29,103 in the 2011-13 biennium. The growth is attributed to the economic downturn as well as demographic and program changes. In developmental disability services, demand is projected to increase 10 percent from the 2009-11 level, growing from 19,050 to 20,954 on average for the 2011-13 biennium.

In addition to the statewide packages, the Subcommittee approved Package 810: LFO Analyst Adjustments, which reduced SPD's budget by \$56.5 million General Fund, \$160 million total funds, and 102 positions (101.00 FTE). The package consists of the following adjustments:

- The budget makes a \$6.6 million General Fund, \$16.6 million total funds reduction based on using a lower, riskier long term care caseload forecast. The savings reflect a re-projection of costs based on the most recent actual caseloads, instead of the agency's official Spring 2011 forecast level.
- New long term care provider rate reductions, a \$97.5 million General Fund, \$264 million total funds reduction item in the Governor's budget, are restored for the first year of the biennium. The budget does reflect savings of \$51.5 million General Fund, \$147.6 million total funds in long-term care provider costs. The pricing is based on a 19 percent rate reduction from the 2009-11 level for nursing facilities in the second year of the biennium; a 16 percent rate reduction from the 2009-11 level for community-based care facilities in the second year of the biennium; and savings equivalent to a 14 percent rate reduction in home care worker costs that could be achieved through changing eligibility for insurance benefits for the second year of the biennium.

Implementation of the proposed long-term care reductions is contingent on approval by the federal Centers for Medicare and Medicaid Services (CMS), and, for home care workers, the reductions are subject to collective bargaining. The Subcommittee Co-Chairs' intent is that the long-term care provider reductions anticipated in the budget would be revisited during the 2012 legislative session when the results of discussions with CMS, negotiations with the providers, and any alternative cost savings or additional resources such as caseload savings, possible Special Disability Workload (SDW) funds due to the state from the federal government, increased federal funds from a Medicaid 1915(k) state plan option, and possible SPD administrative efficiencies will be better known. The Legislature expects the agency to work with providers, stakeholders and the Legislature to develop a strategy to help minimize provider rate reductions in the second year of the biennium to the extent possible.

- In-home care Instrumental Activity of Daily Living (IADL) service hours will be reduced 10 percent, beginning January 1, 2012. Overall this is about a 5 percent reduction in in-home hours, reducing costs by \$4.1 million General Fund, \$11 million total funds.
- An additional \$3 million General Fund is allocated to Oregon Project Independence, which brings program funding to \$9 million General Fund for the biennium.
- The Alternatives to Employment (ATE) program and related transportation services for individuals with developmental disabilities are funded to continue at 90 percent of the 2009-11 level.
- Current support services for 18- to 21-year olds with developmental disabilities are continued.
- Developmental Disability Family Support Program services are funded at \$2 million General Fund, slightly more than half of previous funding, to prioritize families who are at risk for crisis, respite care, behavior support plans and adaptive equipment. The agency will also have \$600,000 General Fund that was part of the Governor's budget to create a Family to Family network to help support families of children with developmental disabilities.
- Targeted Case Management services in Community Developmental Disability Programs and brokerages continue with overall funding about 2 percent less than previous funding levels.
- The budget sets a \$2.4 million General Fund, \$6.4 million total funds efficiency target for State Operated Group Homes.
- The budget does not fund 102 new positions included in the Governor's budget to improve staffing levels for client eligibility and Adult Protective Services. The intent is that the agency fills position vacancies held open this biennium for budget savings.

As in the Governor's proposal, the recommended budget anticipates using, in the second year of the biennium, \$6,950,134 Other Funds from the Developmental Disability (Fairview) Community Housing Trust Fund to support program services. The Other Funds will be matched where possible with federal Medicaid matching funds to continue program services for individuals with developmental disabilities and their families. The community housing grant program will continue during the 2011-13 biennium, at reduced levels as funding permits.

Even with the additional Fairview trust fund resources, the budget reflects further reductions in provider rates for comprehensive services, and limiting adult support services to only Medicaid-eligible individuals.

The Subcommittee approved the following two budget notes for the Seniors and People with Disabilities budget:

Budget Note

Oregon has a duty to enhance and preserve a long-term care system prepared to address the needs of low-income seniors and people with physical disabilities, provide maximum service delivery and make the best use of public funds as Oregon's population ages. The Governor shall convene key stakeholders, including representatives from the Department of Human Services, to study and recommend:

1. The best mix of services and supports, including supports to caregivers, to be available in every Oregon community that will keep seniors and people with disabilities as independent as possible, healthy and safe.
2. Specific plans and recommended steps to best blend state and federal resources with private pay to assure access to high quality care and supports for individuals, families and caregivers.
3. Plans and recommended steps to better align state and local administrative structures, identify cost efficiencies and create incentives to assure consistent, efficient and effective service delivery and high quality service outcomes.

The work group shall seek broad input from all stakeholder groups before submitting recommendations to the appropriate legislative committee by January 2012.

Budget Note

Funding is continued at reduced levels during the 2011-13 biennium for the Alternatives to Employment (ATE) programs and related transportation services. The Department is directed to review and report to the 2012 Legislature on utilization, cost and outcome data for services received by adults in ATE programs, including services for adults not engaged in employment activities. By July 1, 2012, the Department of Human Services is to restructure its contracts with program providers to assure the quality of client services, clarify objectives of non-employment day programs, measure and report client outcomes, and minimize administrative costs within available funding.

Central and Shared Services

The Department of Human Services' (DHS) Central and Shared Services is the new model for central administrative functions that support both DHS and the new Oregon Health Authority (OHA) created in House Bill 2009 (2009). This budget structure includes Central Services supporting DHS only, and Shared Services supporting both DHS and OHA.

Central Services include functions that are housed separately in each agency because they are directly related to policy and program in the agency, such as the director's office, communications, parts of budget and human resources, the Governor's Advocacy Office, and debt service.

Shared Services between DHS and OHA include central administrative support services which will be housed in one agency but which will provide services to both agencies. Joint governance and service-level agreements will define the relationship between DHS and OHA for these shared services. For 2011-13, DHS' Shared Services budget includes the Budget Center; Office of Forecasting, Research and Analysis; Office of Financial Services; Human Resources Center; Facilities Center; Office of Document Management; Office of Contracts and Procurement; Office of Investigations and Training; Internal Audits and Consulting Unit; Office of Payment Accuracy and Recovery; the Office of Continuous Improvement; and Shared Services Administration. Direct charges and services for central government assessments and usage charges are not part of this budget structure. Those are part of the Program Support and Administration budgets in the Children, Adults and Families and Seniors and People with Disabilities program areas.

The Subcommittee approved a budget of \$133.3 million total funds, which is a 188 percent increase above the 2009-11 Legislatively Approved Budget (LAB). This substantial increase from the LAB reflects the double-count of the Shared Services expenditures which were not part of the 2009-11 budget. The approved General Fund budget of \$25.9 million is about a three percent decrease from the LAB. The budget includes \$98.5 million Other Funds, \$8.9 million Federal Funds, and 648 positions (628.00 FTE).

The Governor's budget reshoot adjustments for Central and Shared Services increased the budget by \$1.7 million total funds, including a \$0.1 million General Fund decrease and an increase of 19 positions (17.04 FTE). These include correcting a double-counted reduction; shifting Debt Service for the Self Sufficiency Modernization project from the Children, Adults and Families budget; and moving expenditures for the Office of Administrative Hearings to the Oregon Health Authority budget. After the Debt Service adjustment, the budget includes a total of \$17.9 million General Fund for Debt Service payments on information technology projects.

One other budget adjustment approved by the Subcommittee abolishes three positions and establishes two new positions for an agency Director and executive assistant. The original positions were placed in the Oregon Health Authority's budget. The agency is reviewing other position changes that are needed to "true up" its Shared Services staffing, and are to report back on any proposed changes in the fall of 2011.

Emergency Board

As noted in the Children, Adults and Families section above, HB 5030 includes a \$5 million Special Purpose Appropriation to the Emergency Board for child welfare differential response services. If not allocated to DHS by December 1, 2012, the appropriation will become available to the Emergency Board for any other purpose for which it may allocate funds.

Summary of Performance Measure Action

See attached Legislatively Approved 2011-13 Key Performance Measures form. The Subcommittee approved the measures and their targets.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5030-A

Department of Human Services
 Blake Johnson (503) 378- 3195
 Kate Nass - (503) 378-3742

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at May 2011*	\$ 1,773,727,595	\$ 0	\$ 340,061,902	\$ 0	\$ 3,543,842,025	\$ 2,192,921,139	\$ 7,850,552,661	7,719	7,544.27
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 2,528,195,090	\$ 0	\$ 429,349,935	\$ 0	\$ 3,488,823,586	\$ 2,383,981,537	\$ 8,830,350,148	8,123	7,972.14
2011-13 Governor's Recommended Budget*	\$ 2,053,376,565	\$ 0	\$ 321,132,891	\$ 0	\$ 3,030,655,425	\$ 2,383,981,537	\$ 7,789,146,418	8,166	7,968.69
Total Reshoot Adjustments (from GRB)	128,186,268	0	4,085,465	0	209,169,123	0	341,440,856	(179)	(149.87)
Total Subcommittee Adjustments (from GRB)	(148,406,453)	0	105,235,673	0	(113,029,931)	0	(156,200,711)	(598)	(522.72)
TOTAL ADJUSTMENTS	\$ (20,220,185)	\$ 0	\$ 109,321,138	\$ 0	\$ 96,139,192	\$ 0	\$ 185,240,145	(777)	(672.59)
SUBCOMMITTEE RECOMMENDATION *	\$ 2,033,156,380	\$ 0	\$ 430,454,029	\$ 0	\$ 3,126,794,617	\$ 2,383,981,537	\$ 7,974,386,563	7,389	7,296.10
% Change from 2009-11 Leg Approved Budget	14.6%	0.0%	26.6%	0.0%	-11.8%	8.7%	1.6%	-4.3%	-3.3%
% Change from 2011-13 Current Service Level	-19.6%	0.0%	0.3%	0.0%	-10.4%	0.0%	-9.7%	-9.0%	-8.5%
% Change from 2011-13 Gov's Recommended Budget	-1.0%	0.0%	34.0%	0.0%	3.2%	0.0%	2.4%	-9.5%	-8.4%
<u>Emergency Board</u>									
Special Purpose Appropriation									
Child Welfare Differential Response	\$ 5,000,000	0	0	0	0	0	5,000,000		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5030-A

Department of Human Services - Children, Adults and Families
 Kate Nass - (503) 378-3742

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at May 2011 *	\$ 755,173,169	\$ 0	\$ 156,691,228	\$ 0	\$ 1,029,460,497	\$ 2,192,921,139	\$ 4,134,246,033	4,962	4,830.21
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 1,015,283,158	\$ 0	\$ 149,600,172	\$ 0	\$ 991,181,081	\$ 2,383,981,537	\$ 4,540,045,948	5,159	5,096.80
2011-13 Governor's Recommended Budget*	\$ 828,335,788	\$ 0	\$ 65,718,525	\$ 0	\$ 952,483,949	\$ 2,383,981,537	\$ 4,230,519,799	5,252	5,140.40
Reshoot Adjustments (from GRB)									
Use GF to backfill after Pkg 501 CCDF transfer out	5,620,131	0	0	0	0	0	5,620,131	0	0.00
Other corrections to Governor's Budget	2,584,902	0	416,620	0	(471,247)	0	2,530,275	10	6.09
Spring 2011 caseload forecast/cost per case changes:							0	0	0.00
Self-Sufficiency	31,246,352	0	0	0	13,000,000	0	44,246,352	0	0.00
Substitute Care	(2,134,561)	0	(233,500)	0	(1,630,414)	0	(3,998,475)	0	0.00
Adoptions	(11,141,923)	0	(286,015)	0	(12,860,732)	0	(24,288,670)	0	0.00
Self-Sufficiency/Child Welfare Staffing	10,302,697	0	0	0	5,007,052	0	15,309,749	117	99.94
Fund shift for change in Medicaid FMAP rate	(392,221)	0	0	0	392,221	0	0	0	0.00
Assumed use of TANF Contingency Funds	(20,000,000)	0	0	0	20,000,000	0	0	0	0.00
General Fund match for IV-E Waiver program	658,250	0	0	0	0	0	658,250	0	0.00
Pkg 119 Child Care Billing system pricing update	950,407	0	(3,645,829)	0	0	0	(2,695,422)	(7)	(4.01)
Pkg 120 Self Sufficiency Modernization pricing update	172,542	0	(3,326,188)	0	9,818,069	0	6,664,423	0	0.00
Technical Adjustments and Transfers	(10,681,705)	0	(3,352,004)	0	(10,804,322)	0	(24,838,031)	(197)	(195.70)
Subtotal Reshoot Adjustments	7,184,871	0	(10,426,916)	0	22,450,627	0	19,208,582	(77)	(93.68)
Subcommittee Adjustments (from GRB)									
Co-Chairs statewide adjustments:									
Pkg 801: Targeted Statewide Adjustments	(6,889,695)	0	0	0	0	0	(6,889,695)	0	0.00
Pkg 802: Vacant Position Savings	(366,570)	0	(11,966)	0	(535,153)	0	(913,689)	(11)	(6.00)
Pkg: 819: Supplemental Statewide Ending Balance	(28,714,278)	0	0	0	0	0	(28,714,278)	0	0.00
Pkg 810: LFO Adjustments									
Reverse pkg 501 Early Learning Council Transfer	45,643,499	0	98,972,977	0	1,490,217	0	146,106,693	0	0.00
Fund ERDC at 9,000 case monthly average	(26,120,000)	0	0	0	0	0	(26,120,000)	0	0.00
Move grant staff to Early Learning Council	0	0	0	0	(750,183)	0	(750,183)	(2)	(1.00)
Use available OF/FF to offset General Fund									
Continue insurers' tax OF for Health Kids staff	(4,597,169)	0	4,597,169	0	0	0	0	0	0.00
Title XX Social Services Block Grant	(3,700,000)	0	0	0	3,700,000	0	0	0	0.00
Estimated 2009-11 CCDF Carryforward	(5,000,000)	0	5,000,000	0	0	0	0	0	0.00
Fund existing TANF time limit policy, not 18-mo limit	12,128,447	0	0	0	4,124,168	0	16,252,615	104	15.72
Partially restore JOBS funding, for "near job ready" clients	10,000,000	0	0	0	0	0	10,000,000	0	0.00
Grandfather current Parents as Scholars clients	1,133,031	0	0	0	0	0	1,133,031	0	0.00
Cut child welfare differential response; \$5 mill to SPA	(10,000,000)	0	0	0	0	0	(10,000,000)	0	0.00
Fund SB 964 family preservation, reunification programs	1,603,617	0	0	0	6,577,568	0	8,181,185	6	6.00
Use Title IV-B, award \$\$ for post adoption services	0	0	0	0	675,360	0	675,360	0	0.00
Partially fund Equity package	(499,884)	0	0	0	156,588	0	(343,296)	(6)	(2.83)
Do not fund Critical Incident Review Team adds	(1,000,000)	0	0	0	(410,189)	0	(1,410,189)	(8)	(7.16)
Adjust Pkg 120 to eliminate positions; staff in OHA	0	0	0	0	0	0	0	(65)	(60.32)
Self Sufficiency/Child Welfare staff at 2009-11 levels	(29,444,365)	0	(456,548)	0	(25,123,149)	0	(55,024,062)	(486)	(341.11)
Add funding for Family Support and Connections	2,000,000	0	0	0	0	0	2,000,000	0	0.00
Subtotal Subcommittee Adjustments	(43,823,367)	0	108,101,632	0	(10,094,773)	0	54,183,492	(468)	(396.70)

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
TOTAL ADJUSTMENTS	\$ (36,638,496)	\$ 0	\$ 97,674,716	\$ 0	\$ 12,355,854	\$ 0	\$ 73,392,074	(545)	(490.38)
SUBCOMMITTEE RECOMMENDATION *	\$ 791,697,292	\$ 0	\$ 163,393,241	\$ 0	\$ 964,839,803	\$ 2,383,981,537	\$ 4,303,911,873	4,707	4,650.02
% Change from 2009-11 Leg Approved Budget	4.8%	0.0%	4.3%	0.0%	-6.3%	8.7%	4.1%	-5.1%	-3.7%
% Change from 2011-13 Current Service Level	-22.0%	0.0%	9.2%	0.0%	-2.7%	0.0%	-5.2%	-8.8%	-8.8%
% Change from 2011-13 Gov's Recommended Budget	-4.4%	0.0%	148.6%	0.0%	1.3%	0.0%	1.7%	-10.4%	-9.5%
<u>Emergency Board</u>									
Special Purpose Appropriation									
Child Welfare Differential Response	\$ 5,000,000	0	0	0	0	0	5,000,000		

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5030-A

Department of Human Services - Seniors and People with Disabilities
 Blake Johnson (503) 378- 3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at May 2011 *	\$ 991,859,310	\$ 0	\$ 183,116,526	\$ 0	\$ 2,494,958,910	\$ 0	\$ 3,669,934,746	2,118	2,097.70
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 1,484,737,222	\$ 0	\$ 167,810,440	\$ 0	\$ 2,487,086,881	\$ 0	\$ 4,139,634,543	2,315	2,246.84
2011-13 Governor's Recommended Budget*	\$ 1,197,987,469	\$ 0	\$ 159,149,700	\$ 0	\$ 2,068,799,161	\$ 0	\$ 3,425,936,330	2,284	2,216.83
Reshoot Adjustments (from GRB)									
Use GF to backfill Pkg 501 CCDF transfer out	503,750	0	0	0	0	0	503,750	0	0.00
Correct for DD Housing maintenance; Add OF limitation	576,871	0	8,277,005	0	0	0	8,853,876	0	0.00
Other Corrections to Governor's budget	6,128,428	0	(13,901,084)	0	(15,172,549)	0	(22,945,205)	(93)	(68.35)
Spring 2011 caseload forecast/cost per case repricing:									
APD long-term care repricing	100,661,888	0	4,386,053	0	191,979,545	0	297,027,486	0	0.00
DD local field payments	(2,113,992)	0	0	0	0	0	(2,113,992)	0	0.00
DD Support Services	(798,951)	0	0	0	(1,756,001)	0	(2,554,952)	0	0.00
DD Comprehensive Services	9,835,263	0	0	0	14,373,248	0	24,208,511	0	0.00
Fund shift for change in Medicaid FMAP rate	6,116,256	0	39,525	0	(6,155,781)	0	0	0	0.00
Fund shift for higher projected estate recoveries	(1,642,068)	0	1,642,068	0	0	0	0	0	0.00
HB 3618 (2010) 2 positions, consumer training program	1,841,510	0	0	0	0	0	1,841,510	2	1.50
Increased CDPPs local match	0	0	2,365,954	0	2,798,233	0	5,164,187	0	0.00
OF for PACE client contributions	0	0	9,336,468	0	0	0	9,336,468	0	0.00
FF for Disability Determination Services	0	0	0	0	947,972	0	947,972	0	0.00
FF for State Fire Marshal	0	0	0	0	120,327	0	120,327	0	0.00
Board of Nursing transfer	0	0	83,502	0	83,502	0	167,004	0	0.00
Technical adjustments and transfers	0	0	0	0	0	0	0	(30)	(6.38)
Subtotal reshoot adjustments	121,108,955	0	12,229,491	0	187,218,496	0	320,556,942	(121)	(73.23)
Subcommittee Adjustments (from GRB)									
Co-Chairs statewide adjustments:									
Pkg 801: Targeted Statewide Adjustments	(2,298,426)	0	0	0	0	0	(2,298,426)	0	0.00
Pkg 802: Vacant Position Savings	(701,098)	0	(81,893)	0	(1,817,365)	0	(2,600,356)	(27)	(24.52)
Pkg 819: Supplemental Statewide Ending Balance	(44,087,446)	0	0	0	0	0	(44,087,446)	0	0.00
Other recommended adjustments									
Pkg 810: LFO Analyst Adjustments									
Lower LTC forecast caseloads based on actuals only	(6,563,206)	0	761,140	0	(10,789,399)	0	(16,591,465)	0	0.00
LTC provider cost savings, rate reductions	(51,488,869)	0	(3,545,206)	0	(92,518,507)	0	(147,552,582)	0	0.00
In-Home Care IADL hours reduction	(4,128,328)	0	0	0	(6,931,429)	0	(11,059,757)	0	0.00
Partial restore OPI (to \$9 million GF)	3,000,000	0	0	0	0	0	3,000,000	0	0.00
Restore 90% DD Alternatives to Emp/transportation	7,540,000	0	0	0	12,357,564	0	19,897,564	0	0.00
Restore DD 18-21 year old support services	1,498,637	0	0	0	2,519,523	0	4,018,160	0	0.00
Partial restore DD Family Support programs	2,000,000	0	0	0	0	0	2,000,000	0	0.00
Partial restore DD Targeted Case Management	3,000,000	0	0	0	4,740,000	0	7,740,000	0	0.00
DD State Operated Group Home efficiency target	(2,374,651)	0	0	0	(4,036,576)	0	(6,411,227)	0	0.00
APS/Eligibility Determination staff at 2009-11 levels	(8,939,182)	0	0	0	(6,458,969)	0	(15,398,151)	(102)	(101.00)
Subtotal Subcommittee Adjustments	(103,542,569)	0	(2,865,959)	0	(102,935,158)	0	(209,343,686)	(129)	(125.52)
TOTAL ADJUSTMENTS	\$ 17,566,386	\$ 0	\$ 9,363,532	\$ 0	\$ 84,283,338	\$ 0	\$ 111,213,256	(250)	(198.75)
SUBCOMMITTEE RECOMMENDATION *	\$ 1,215,553,855	\$ 0	\$ 168,513,232	\$ 0	\$ 2,153,082,499	\$ 0	\$ 3,537,149,586	2,034	2,018.08

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
% Change from 2009-11 Leg Approved Budget	22.6%	0.0%	-8.0%	0.0%	-13.7%	0.0%	-3.6%	-4.0%	-3.8%
% Change from 2011-13 Current Service Level	-18.1%	0.0%	0.4%	0.0%	-13.4%	0.0%	-14.6%	-12.1%	-10.2%
% Change from 2011-13 Gov's Recommended Budget	1.5%	0.0%	5.9%	0.0%	4.1%	0.0%	3.2%	-10.9%	-9.0%

*Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5030-A

Department of Human Services - Central and Shared Services
 Blake Johnson (503) 378- 3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at May 2011 *	\$ 26,695,116	\$ 0	\$ 254,148	\$ 0	\$ 19,422,618	\$ 0	\$ 46,371,882	639	616.36
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 28,174,710	\$ 0	\$ 111,939,323	\$ 0	\$ 10,555,624	\$ 0	\$ 150,669,657	649	628.50
2011-13 Governor's Recommended Budget*	\$ 27,053,308	\$ 0	\$ 96,264,666	\$ 0	\$ 9,372,315	\$ 0	\$ 132,690,289	630	611.46
Reshoot Adjustments (from GRB)									
Move Self Sufficiency Modernization Debt Service from CAF	1,392,442	0	0	0	0	0	1,392,442	0	0.00
Technical Adjustment: OAH expenditures to OHA.	(1,500,000)	0	0	0	(500,000)	0	(2,000,000)	0	0.00
Correct Package 084 error eliminating OPAR positions twice	0	0	2,282,890	0	0	0	2,282,890	19	17.04
Subtotal reshoot adjustments	(107,558)	0	2,282,890	0	(500,000)	0	1,675,332	19	17.04
Subcommittee Adjustments (from GRB)									
Package 801: Targeted Statewide Adjustments	(100,949)	0	0	0	0	0	(100,949)	0	0.00
Package 819: Supplemental Statewide Ending Balance	(939,568)	0	0	0	0	0	(939,568)	0	0.00
Package 810: Abolish 3/establish 2 Director's Office positions	0	0	0	0	0	0	0	(1)	(0.50)
Subtotal Subcommittee Adjustments	(1,040,517)	0	0	0	0	0	(1,040,517)	(1)	(0.50)
TOTAL ADJUSTMENTS	\$ (1,148,075)	\$ 0	\$ 2,282,890	\$ 0	\$ (500,000)	\$ 0	\$ 634,815	18	16.54
SUBCOMMITTEE RECOMMENDATION *	\$ 25,905,233	\$ 0	\$ 98,547,556	\$ 0	\$ 8,872,315	\$ 0	\$ 133,325,104	648	628.00
% Change from 2009-11 Leg Approved Budget	-3.0%	0.0%	38675.7%	0.0%	-54.3%	0.0%	187.5%	1.4%	1.9%
% Change from 2011-13 Current Service Level	-8.1%	0.0%	-12.0%	0.0%	-15.9%	0.0%	-11.5%	-0.2%	-0.1%
% Change from 2011-13 Gov's Recommended Budget	-4.2%	0.0%	2.4%	0.0%	-5.3%	0.0%	0.5%	2.9%	2.7%

*Excludes Capital Construction Expenditures

Legislatively Approved 2011-13 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

Mission: Assisting people to become independent, healthy and safe.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - OVRS CLOSED -EMPLOYED - The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.		Approved KPM	54.70	66.00	66.00
2 - TANF FAMILY STABILITY – The percentage of children entering foster care who had received TANF cash assistance within the prior two months.		Approved KPM	32.90	30.00	30.00
3 - TANF RE-ENTRY – The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		Approved KPM	61.90	65.00	65.00
4 - SNAP (Supplemental Nutrition Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.		Approved KPM	74.00	80.00	80.00
5 - SNAP (Supplemental Nutrition Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments.		Approved KPM	96.50	95.00	95.00
6 - ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS.		Approved KPM	48.40	60.00	60.00
7 - ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		Approved KPM	93.50	94.10	94.10
8 - TIMELINESS and PERMANENCY OF REUNIFICATION OF CHILDREN.		Approved KPM	125.00	125.00	125.00
9 - TIMELINESS OF FOSTER CARE RELATED ADOPTIONS.		Approved KPM	109.10	104.40	104.40
10 - ACCESS TO I&R and I&A - Access to accurate and consistent Information & Referral and Information & Assistance for people who are not currently served by SPD.		Approved KPM	94.20	95.50	96.00
11 - SENIORS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregon's seniors receiving SPD long-term care services who are living outside of nursing facilities.		Approved KPM	82.20	83.50	84.00
12 - DEVELOPMENTAL DISABILITY SUPPORT SERVICES – The percentage of eligible adults who are receiving adult support services within 90 days of request.		Approved KPM	96.07	98.00	98.00

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
13 - PEOPLE WITH DISABILITIES IN COMMUNITY SETTINGS – The percentage of individuals with developmental disabilities who live in community settings of five or fewer.		Approved KPM	98.50	98.60	98.70
14 - INTEGRATED EMPLOYMENT SETTINGS - The percentage of people with developmental disabilities who receive SPD services who are working in integrated employment settings.		Approved KPM	28.70	40.00	40.00
15 - ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES - The percentage of seniors and adults with physical disabilities experiencing abuse.		Approved KPM	0.57	0.54	0.53
16 - ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.		Approved KPM	2.43	2.40	2.39
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Overall	Approved KPM	72.80	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Accuracy	Approved KPM	71.60	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Availability of Information	Approved KPM	72.10	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Expertise	Approved KPM	72.70	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Helpfulness	Approved KPM	72.20	75.00	75.00
17 - CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Timeliness	Approved KPM	71.40	75.00	75.00

LFO Recommendation:

Approve deletion of current CAF KPM #21 Timely Adoption, as it is a component of the Timeliness of Foster Care Related Adoptions KPM.
Approve deletion of current SPD KPMs #37, 38, 40, and 42 a, b and c; and approve proposed new measures 11, 12, 13, 15 and 16 to replace them.
Approve the remaining measures with targets as shown, reorganize and renumber.

Subcommittee Action:

Approve the LFO recommendation.